

DEC 5 2013

Mark Nadel

FCC Office of the Secretary

**From:** Keith E Cooper <kcooper@wcpss.net>  
**Sent:** Wednesday, December 04, 2013 5:12 PM  
**To:** Mark Nadel  
**Cc:** Francine Pearce  
**Subject:** Follow up to FCC Petition for Reconsideration  
**Attachments:** WCPSS Item 21 attachment for Year 2004 Bellsouth Centrex.pdf

CC Docket  
02-6

Per our phone conversation this afternoon, I am attaching a copy of the respective Item 21 attachment that was submitted with our district's Year 2004 E-Rate application against BellSouth Centrex Services.

As my June 7, 2012 Petition for Reconsideration stated, the actual invoiced amounts for BellSouth Centrex *eligible* services between July 2004 and June 2005 totaled \$1,260,159.16. At our district's approved discount rate of 52%, this would have accounted for \$655,282.76 in potential discounts or \$58,326.92 more than what was actually approved and paid out against the respective FRN. The total of \$1,260,159.16 was not against new or additional services received but simply an increase in the use of the services for the number of existing and new lines/voicemail boxes identified on the Item 21. Put another way, spending on the Centrex services wholly described on the Item 21 increased but the type of services received did not change.

Therefore the district left over \$58,000 in potential discounts against eligible services on the table which more than offset the recovery amount of \$9,049 received against ineligible entities. Hence the recommendation by KPMG in the 2006 audit finding that recovery was not warranted. In it's Management Response, USAC agreed with the KPMG assessment by stating that "other eligible costs . . . offset the improper reimbursement" and recovery was not warranted.

I hope this will clear up any lingering issues and will allow our petition to be approved. I look forward to hearing from you.

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**BLOCK 5**  
**ITEM 21 ATTACHMENT BELLSOUTH CENTREX**

**FORM 471 IDENTIFIER:** Year2004471A

**FORM 471 APPLICATION NUMBER:** 398734

**NAME:** WAKE COUNTY, NORTH CAROLINA PUBLIC SCHOOL SYSTEM

**CONTRACT #:** BellSouth Centrex 2002

**EXPIRATION DATE:** 03/01/2007

**SERVICE PROVIDER:** BellSouth Telecommunications

**CONTRACTING PARTY:** Wake County, North Carolina Public School System

**BILLED ENTITY NUMBER:** 126877

**SERVICE:** Centrex Phone Service and Voicemail

**CURRENT RATE STRUCTURE UNDER TERMS OF NC OFFICE OF INFORMATION  
TECHNOLOGY SERVICES CONTRACT # ITS-000048 and BELLSOUTH CONTRACT CN008406**

Quantity*	Service	Each Item Cost	Monthly Cost	Yearly Recurring Costs
5,560 existing lines	Centrex	\$14.05	\$78,118	\$937,416
213 new lines	Centrex	\$14.05	\$2,993	\$35,916
2,798 existing boxes	Voicemail	\$5	\$13,990	\$167,880
113 new boxes	Voicemail	\$5	\$565	\$6,780
		<b>Total</b>	\$95,666	\$1,147,992

\*Schools listed on Block 4 worksheet # 539409.